

Date: March 9, 2011

To: Thomas J. Bonfield, City Manager
From: Wanda S. Page, Deputy City Manager
Subject: Downtown Durham Business Improvement District

EXECUTIVE SUMMARY

At the February 11, 2011 Retreat, the City Council received a report from Downtown Durham, Inc. (DDI) and City staff on the possible implementation of a Business Improvement District (BID) in Downtown Durham. Subsequent to the report, DDI staff and City staff have continued to proceed with operational steps leading to a Public Hearing on establishing a BID in Durham. As reported, these steps have included additional stakeholder outreach and education, additional financial and operational analysis, and calendaring BID adoption process dates. This memo highlights key changes and/or new information since the February 11, 2011 report. Additionally, City staff seeks authority from City Council to prepare and make available to the public the required Municipal Service District (BID) report, and requests the designation of a person to certify that appropriate process notifications have been mailed according to North Carolina General Statutes as specified below.

RECOMMENDATION

City staff recommends the City Council:

- Direct the administration to prepare the required Municipal Service District (BID) report pursuant to G. S. 160A-537(b) and make such report available for inspection by the public in the City Clerk's Office; and,
- Designate the City Manager as the person to certify that the appropriate notifications have been mailed to the affected property owners pursuant to G. S. 160A-537(c) prior to the scheduled public hearing.

BACKGROUND

In 2008, The City Council and County Commission adopted an update to the Downtown Durham Master Plan. The update included six strategies for accomplishing the goals and objectives of the Downtown Durham Master Plan. The updated plan included an action step to study the feasibility of a BID for downtown Durham. DDI and City staff proceeded with this action step. Results of the study and a recommendation to continue to study and pursue the BID initiative was presented to City Council at the February 11, 2011 Retreat.

ISSUES/ANALYSIS

The report presented to City Council at the February 11, 2011 retreat included a map of the proposed BID boundary in the downtown area. Since that time, the proposed boundary has been revised to exclude approximately 30 parcels. The revision was based on a continuing cost benefit analysis focusing on the goal of excluding primarily non- mixed-use residential areas and including adjacent commercial areas. A copy of the boundary currently proposed is included as an attachment to this report. The reduction in BID tax revenue is offset by BID expenses.

The City is required to send notices of the public hearing by U. S. mail at least 4 weeks before the date of the Public Hearing to the owners of all the property located within the proposed district as shown by Durham County tax records. DDI, City Staff, and the Durham County Tax Assessors Office are currently working to identify owners of business personal property, motor vehicles and other property in the BID district that is assessed for property tax. All owners of real property in the proposed BID district are currently identified to receive notice. To ensure that owners of business personal property receive notice of the pending Public Hearing, approximately 7,100 businesses in District 1 – City of Durham will be mailed a notice by March 18, 2011 of the Public Hearing currently calendared for April 18, 2011.

The following adoption process schedule was presented to City Council at the February 11, 2011 retreat. Proposed date changes are noted in the table below:

	Schedule Presented on 2/11/2011	Revised Schedule
Report filed w/ City Clerk on proposed BID boundary and scope of services	2/28/2011	3/18/2011
City mails notice to property owners within proposed BID boundary	1st week of March	3/18/2011
City holds a public hearing on the BID	4/4/2011	4/18/2011
Target Date for City Council Vote	4/18/2011	City Council meeting prior to current fiscal year end.
BID effective date	7/1/2011	7/1/2011